



# IVH Purchasing Kaizen Report Out

**Team JDI**

October 13-16, 2009

# The Opportunity

Greg Wright, Sponsor

# Team JDI



# Team Members - Val

- Jodi Oaks, Purchasing
- Julie Randall, Purchasing
- Sue Ferriss, Purchasing
- Renee Balvanz, Information Technology
- Julie Sturm, Budget
- Val DeVolder, Print Shop
- Shelley Gilgen, Maintenance
- Mark Freland, Dietary
- Lana Comstock, Nursing
- Steve Messer, Pharmacy
- Karen Squires, Marshall County Auditor
- Chad Dahm, Department of Human Services – Team Leader
- Russ Pape, Safety – Team Leader
- Ann Hogle, Performance Improvement, Facilitator
- Mike Rohlf, Department of Management, Facilitator/Trainer

# Scope - Shelley

- **This event addresses the ordering and purchasing process from the initiation of a need for a product or service through the approval, ordering, tracking and receiving of the product.**

# Objectives – Steve

- **Establish a consistent purchasing process throughout the agency**
- **More simplified and timely process**
- **Purchase request is received and approved before the item is ordered**
- **Make customers aware of contracts and resources and state-mandated regulations**
- **Identify a formal process for standing orders**



# Objectives – Steve

- **Educate agency on the standard procedure**
- **Build accountability into the process**
- **Improve communication throughout the agency regarding this process**
- **Paperless purchasing process (tracking status)**
- **Ability to track historical data**

# Objectives – Steve

- **Address purchasing options available, i.e. standing, credit card, in-town or regular**
- **Ability to identify construction Phase I purchases**
- **Ability to identify memorial money purchases**
- **Department must include dollar amount and actual product information**



## Goals – Julie S.

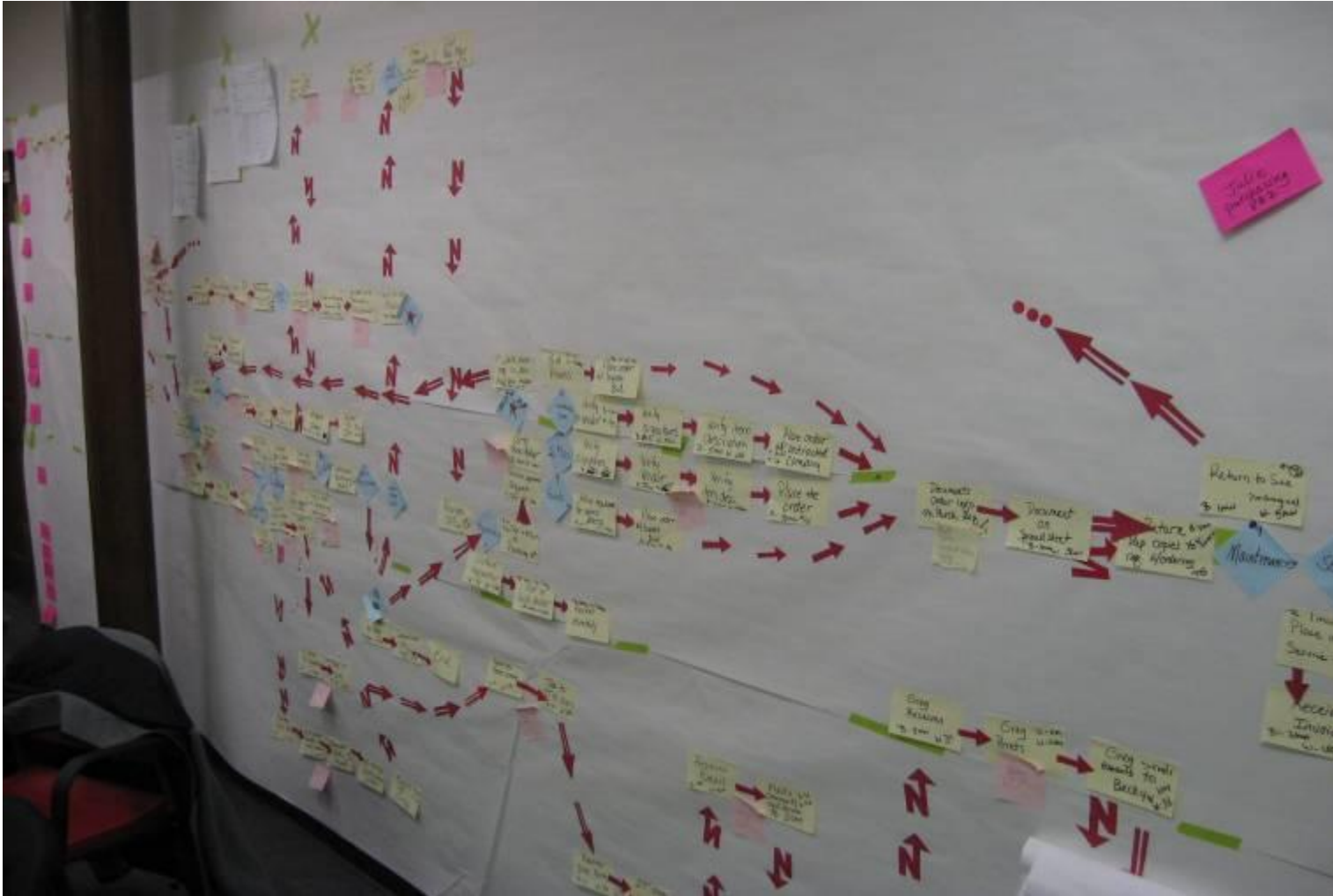
- **Reduce turn-around time from request to ordering by 50%**
- **90% paperless process**
- **100% compliance with new process**

# Kaizen Methodology - Jodi

- **Clear objectives**
- **Team process**
- **Tight focus on time**
- **Quick & simple**
- **Necessary resources immediately available**
- **Immediate results (new process designed by end of week)**
- **5S “mindset”--use the steps to support the event activities**
  - **Sort, Set in order, Shine, Standardize, Sustain**



## Current Process - Sue

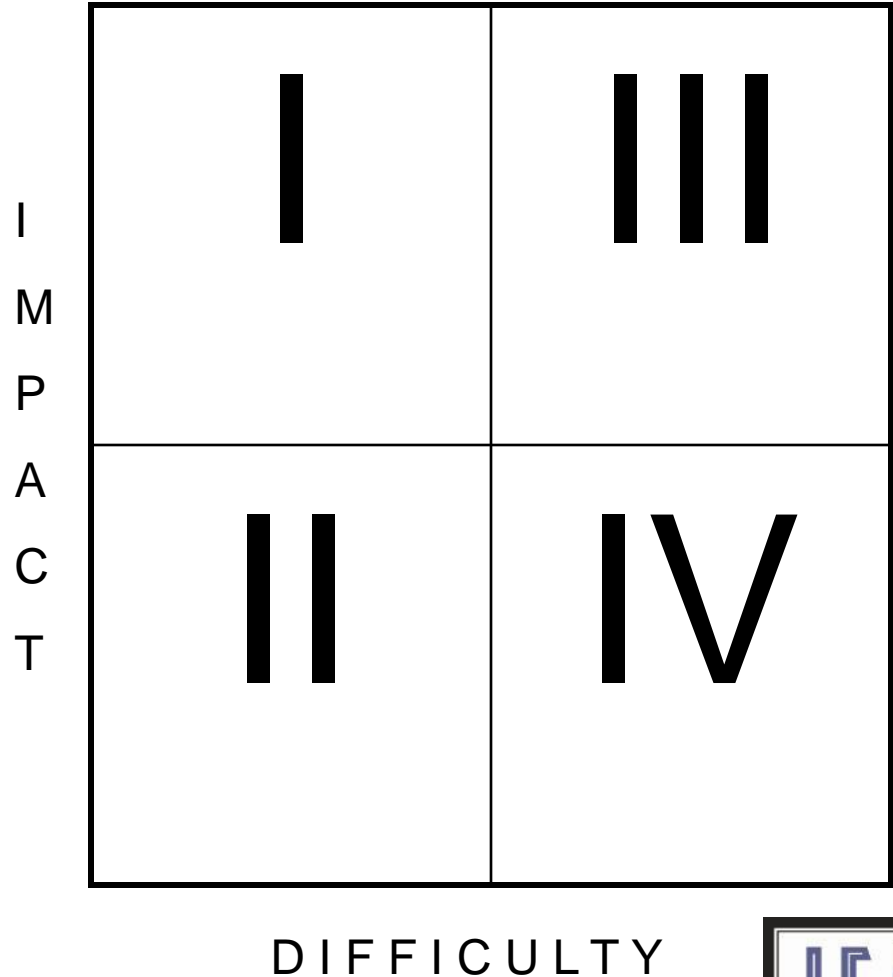


# Brainstorming - Lana

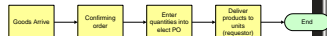
- Electronic on-line ordering (paperless)
  - Customers can track order in “real time” anytime
  - QM enters received date and quantity
- Standardized purchase electronic form
- Standardized process (accountability)
- Education plan for all requestors
- Standard credit card process

# De-selection Process – Lana

- Identifies
  - Impact to customer
  - Difficulty implementing
- Helps to rate/rank solutions to resolve issues while identifying ease of implementation



# New Process – Julie R.



# Results - Renee

	Current	New	% Change
Total Steps	<b>171</b>	<b>44</b>	<b>75%</b>
Total # Delays	<b>65</b>	<b>15</b>	<b>67%</b>
Value Added Steps	<b>3=2%</b>	<b>3=7%</b>	<b>+5%</b>
Decisions	<b>30</b>	<b>11</b>	<b>64%</b>
Total Handoffs	<b>37</b>	<b>16</b>	<b>57%</b>
Lead Time - Days	<b>39.17 days</b> <b>442 days</b>	<b>1.8 days</b> <b>289 days</b>	<b>95%</b> <b>36%</b>



# Homework – Mark

Item	Item Description	Person Responsible	Due Date	Revised/ Completed Date	Expected Results	
1	Write a credit card policy – universal IVH – recommended	Shelley	10-16-09		Recommendations finalized	
2	Continue to develop on-line purchase request system	Renee	11-16-09		Ready to be tested Purchasing, Lana, Shelley, Val, Mark, Russ	
3	Education plan for requestors, supervisors, purchasing staff, QM, Budget, Commandant (build in enforcement)	Val, Lana	1-19-10		Education plan, manual(s)	
4	Develop implementation plan (roll-out)	Julie Randall	1-19-10		Plan established	





# Homework – Mark

Item	Item Description	Person Responsible	Due Date	Revised/ Completed Date	Expected Results	
5	Credit Card Process	Team	10-30-09		Review current practices within the Purchasing Department	
6	Create shared folder for DOM items	Val	10-30-09		Shared folder	
7	Education on standing orders in on-line system	Julie R.	1-19-10		Process working	
8	Purchasing Assistant process with P.L. attached to P.O.	Julie S.	11-16-09		Review process	

# Homework – Mark

Item	Item Description	Person Responsible	Due Date	Revised/ Completed Date	Expected Results	
9	Monitors for Purchasing Staff (3)	Jodi	11-16-09		Purchase	
10	Scanned signature for DOM of John's signature and for departments when items are received from QM – review AGA requirements	Julie S.	11-16-09		Electronically provide this informatino	
11	Identify purchasing requestors	Steve	11-16-09		List of requestors	
12	Standardized requestors form	Sue	11-16-09		Completed form	



# Homework – Mark

Item	Item Description	Person Responsible	Due Date	Revised/ Completed Date	Expected Results	
13	Supervisory approval path	Val	11-16-09		Path identified	
14	Standardized vendor list from departments including products ordered	Renee Julie R	11-16-09		Renee ability to provide this information in the electronic ordering process	
15	Identify report needed from database Team identifies – 30-day homework item	Julie R Purchasing	11-16-09		Homework items	

# Team Member Experience

Team members presenting this slide

Karen, Julie R., Chad

LEAN

State of Iowa  
Continuous Improvement

# Closing Comments

- Ann Hogle, Facilitator
- Assisted by
  - Chad Dahm, Department of Human Services
  - Russ Pape, Safety Officer, IVH
  - Mike Rohlf, Department of Management
- Commandant John Mathes

**We welcome your  
questions and comments!**

